

## **complaint**

Mr R complains that U K Insurance Limited (trading as Privilege) has refused to provide cover for an accident where an associate of Mr R's was driving the car. The associate wasn't a named driver on Mr R's car insurance policy.

## **background**

In June 2015 Mr R's car was involved in an accident. Although Mr R was a passenger in the car at the time he says that an associate was driving the car without his permission.

Privilege refused to pay out on the claim. In its final response letter it said that Mr R failed to take all reasonable steps to safeguard the car against loss or damage, which is a condition of the insurance. It had reached this decision on the basis that Mr R had joined his associate in the car instead of phoning the police when the car was taken without his permission. Privilege acknowledged that it could've dealt with Mr R's claim sooner when it was first lodged so it offered £200 for the distress and inconvenience caused as a result of the delay.

Mr R's mother has acted as his representative in bringing the complaint to us. She has explained that Mr R only got into the car to try and prevent his associate from driving. Mr R felt threatened and bullied but tried to do everything to stop his associate driving. And he couldn't have called the police because he didn't have his phone or access to a phone that he could've used.

The complaint was considered by an investigator who didn't think it was unfair that Privilege had declined the claim based on the evidence it had been provided with. But he agreed that Privilege had made mistakes which had delayed progression of the claim. However, he thought the £200 Privilege had offered in respect of this was fair.

Mr R's mother didn't agree, so the complaint has now been passed to me to decide.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The crux of this case is whether Privilege acted fairly in refusing to pay Mr R's claim for the damage caused to his car, which he says was a result of it being taken without his permission. Privilege says that Mr R failed to take reasonable steps to safeguard the car against loss or damage.

Having considered all the information on file, I agree with the investigator; I don't think it's unreasonable that Privilege declined the claim.

Mr R is the only person insured to drive his car under the policy and it doesn't seem to be in dispute that he wasn't driving when the accident happened. But Mr R was in the car at the time of the accident and there are a number of inconsistencies in the statements given to the insurance company. Mr R initially said that another associate was in the back of the car. This was later changed. And there were further inconsistencies around the time the events took place, how long they were in the car, whether they picked someone up from hospital and who paid when the car was refuelled.

Given the above, I don't think it's unreasonable that Privilege has questioned whether Mr R took reasonable steps to safeguard his car against loss or damage.

I can see from the notes that Privilege advised Mr R's mother that it would need to be provided with evidence that the theft had been reported to the police. And it explained that a charge would need to be brought against the driver of the vehicle for taking the car without permission. Privilege asked Mr R's mother to provide a crime reference number (CRN) showing that the incident of theft had been reported to the police. But the CRN report Mr R's mother sent to Privilege related to the accident itself. No report was submitted to Privilege showing that Mr R's associate had been reported to the police for taking the car without Mr R's permission. The notes Privilege has provided show that it checked with the police whether there was a record of the car being stolen. But the police confirmed there was nothing recorded under Mr R's car registration.

I acknowledge Mr R's comments that he was unable to report the matter to the police at the time of the incident as he didn't have access to a phone and he felt threatened. And I note Mr R's mother has said that the theft was reported to the police afterwards. But as the police didn't have the full details of the driver, they wrote to Mr R to say that they wouldn't be investigating the matter further.

I think the inconsistencies in Mr R's statements and the fact that the police chose not to investigate the driver taking the car without Mr R's permission, raise reasonable doubts about what actually happened. And I'm also conscious that Mr R was driving around with his associate for some time and they stopped on at least one occasion. To me, this seems more consistent with someone being given permission to drive the car. And Mr R's policy doesn't provide cover in this situation. So I don't think it's unfair or unreasonable that Privilege has declined the claim.

Privilege has acknowledged that its handling of this matter could've been better and in acknowledgement of this it's offered Mr R £200. I think this is reasonable so I will not be asking Privilege to increase this payment.

### **my final decision**

Having reviewed all the available evidence, my final decision is that I don't uphold this complaint. I leave it to Mr R to decide if he wishes to accept the offer of £200 made by U K Insurance Limited for the mistakes it made in the way it handled the claim.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 October 2016.

Lorna Goulding  
**ombudsman**